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PP RUEHLMC
DE RUEHUM #0615/01 2260716
ZNR UUUUU ZZH
P 140716Z AUG 06
FM AMEMBASSY ULAANBAATAR
TO RUEHC/SECSTATE WASHDC PRIORITY 0243
INFO RUEHUL/AMEMBASSY SEOUL 2396
RUEHBJ/AMEMBASSY BEIJING 5176
RUEHKO/AMEMBASSY TOKYO 2196
RUEHMO/AMEMBASSY MOSCOW 1564
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RUEHOK/AMCONSUL OSAKA KOBE 0014
RUEATRS/DEPT OF TREASURY WASHDC
RUCPODC/USDOC WASHDC 1080
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC 0337
RUEKJCS/SECDEF WASHDC

UNCLAS SECTION 01 OF 02 ULAANBAATAR 000615

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E.O. 12958: N/A

TAGS: [PREL](#) [EAID](#) [ECON](#) [MG](#) [JA](#) [KN](#)

SUBJECT: Koizumi's Visit to Mongolia: A Feel Good Experience

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11. (SBU) Summary: According to the Japanese DCM (protect), Prime Minister Koizumi's August 10-11 visit to Mongolia was a relaxed visit without much new in substance; rather it was a celebration of a relationship untroubled by the political problems Japan has elsewhere in the region. No new aid commitments were made, though Japan is considering a Mongolian proposal for an \$86 million concessionary loan to build a new Ulaanbaatar airport. Japan and Mongolian will have periodic bilateral talks on Northeast Asian issues, including North Korea and the Shanghai Cooperation Organization. End summary.

Good Vibes, Light Agenda

12. (SBU) On August 14, Japanese DCM (protect) gave a readout on the Koizumi visit to DCM and EP chief. The August 10-11 visit last 26 hours. The Japanese DCM commented that, a few weeks before his retirement, Koizumi was in a relaxed mood, and that no new substantive ground was broken during the visit. He noted that Prime Minister Enkhbold had visited Japan in February, and little had changed since then. He commented that Mongolian arrangements for the visit indicated the warmth of ties, including President Enkhbayar hosting a lunch for Koizumi in his personal ger set up near the site of the ensuing cultural performance. In addition, PM Enkhbold hosted a dinner; the Mongolian Foreign Minister escorted Koizumi, but did not have a separate meeting with him. (Note: Koizumi's visit to Mongolia is the third by a Japanese prime minister, after visits by Toshiki Kaifu in 1991 and Keizo Obuchi in 11999.)

Mongolia Seeks New International
Airport From Largest Bilateral Donor

13. (SBU) The Japanese DCM said that a number of things highlighted in the press in conjunction with the visit beyond celebrating Mongolia's 800th anniversary were not really new developments, but simply highlighting of existing programs. For instance, a Japanese training program for 20 Mongolia officials per year reported in conjunction with the visit was an ongoing program. He said that Japan did not make new aid commitments during the visit. Japan, Mongolia's largest bilateral donor, now gives about 3 billion yen (\$26 million) a year in grant assistance. He said that Japan is considering a Mongolian proposal for a concessionary loan to finance a new Ulaanbaatar airport. The total cost might be about 10 billion yen, which Japan might make as annual loans of about 3 billion yen in each of 3 years. Japan is now assessing the feasibility of the

proposal. (Note: Press reports claimed Japan's aid to Mongolia totaled 188.4 billion yen as of 2005, with 75 billion yen of that in grants, 39.2 billion yen in loans and 24.9 billion yen in technology assistance.)

Sumo Wrestling - the Sport That Binds

14. (SBU) The Japanese DCM stated that the visit was helpful in celebrating the good bilateral relationship, which is not troubled by the political problems with other Asian neighbors. For instance, he noted, in February, PM Enkhbold had noted that a traditional Mongolian folk tale is in Japan's textbooks, and had invited Japan to provide Japanese folk tales for Mongolian textbooks. Koizumi had personally selected two. This was a different sort of textbook discussion than with other neighbors, he commented. He noted that Mongolian wrestlers' dominance of sumo wrestling in Japan provides a unique cultural link and access for his country here. He smiled that Mongolia's parliament reportedly schedules its sessions to avoid conflicting with the bimonthly sumo tournament (which is heavily televised here), and the Japanese embassy always gets a good turnout of the influential at receptions welcoming back Mongolian wrestlers. He commented that, despite the pre-1990 attacks on Japan as an "imperialist" country, there is little or no popular anti-Japanese feeling in Mongolia

Future Dialogue on DPRK; Mongolia a Window into SCO

15. (SBU) The Japanese DCM said that Mongolia and Japan will begin periodic bilateral talks on Northeast Asian security issues. The subjects discussed would include North Korea; Japan saw Mongolia, with its traditionally good relations with North Korea, as an additional means of reinforcing the international community's

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message. However, the Japanese DCM said, Mongolian relations with North Korea seem to have declined this year, with the North Korean ambassador having a prolonged absence in the wake of Mongolia's expression of concern about the North Korean missile test, and the earlier detention of over \$1 million in dollars and 2 million yen in a North Korean bank's cash while Mongolia investigated whether it was counterfeit. The Japanese DCM said that his country also sees Mongolia as a useful source on the Shanghai Cooperation Organization.

No Business Contingent in Koizumi's Delegation

16. (SBU) The Japanese DCM said that Koizumi's delegation was small, and did not include any business people. He said that there have been Japanese business delegations, including one at the end of July, but said there is a low level of trade and investment between the two countries, and described Japanese businesses' interest in Mongolia as low.

War Memorial Visit a Non-Issue

17. (SBU) Asked about Koizumi's visit to a memorial to Japanese soldiers, the DCM responded that the memorial marks the presence in Mongolia of 20,000 Japanese POWs held in Soviet-controlled camps after WW II. The soldiers had been a key element for major buildings in downtown Ulaanbaatar, including Government House and the Foreign Ministry. About 1,600 of the POWs had died because of the harsh conditions. When Koizumi was Social Welfare Minister, he had visited in the late 1990s and arranged for the transport back to Japan of the remains; the memorial is now a plaque rather than a cemetery. The Japanese DCM said that the visit was not controversial in Mongolia. He added that Mongolia does not weigh in on the Japanese visits to the Yasukuni shrine, and sees those visits as a Japanese domestic issue.

Real Issues: Visas, Overstays

18. (SBU) The Japanese DCM said that visas were one issue discussed during the visit, with Mongolian undertaking to abolish visas for Japanese tourists next year. This likely would increase the flow of Japanese tourists, which has been about 10,000 annually, though 14,000 or more are expected this year. The Mongolians pressed unsuccessfully for more relaxed Japanese visa treatment of their citizens. The Japanese DCM commented that it will be difficult to do this in view of the substantial illegal Mongolian population in Japan; the illegal population is estimated at 19,000 Mongolians, as opposed to 5,000 Mongolians legally present.

Royal, Presidential Visits in 2007

19. (SBU) The Japanese DCM noted that the two countries will mark the 35th year of diplomatic relations in 2007. While the Emperor is unlikely to come to Mongolia in response to the GOM's invitation, he said it is possible that the Crown Prince and his wife will do so. President Enkhbayar is scheduled to visit Japan in February 2007. He noted the two nations had agreed that 2006 is "Mongolia Year in Japan," while 2007 will be "Japan Year in Mongolia."

Slutz